



Renovation Mortgage



If you are looking for improving the standard of your building, there is a new range of mortgages available on the market- the renovation mortgages. These type of financial products are available for existing residential properties that are non habitable, at poor state requiring refurbishment, fire damaged, buildings requiring improvement of energy efficiency, historic or listed properties, thatched properties.

It is possible to borrow up to 90% of the property's value on a repayment basis, or up to 75% interest-only or part (repayment) and part (interest-only). Such mortgages are for maximum of 30 years. If a project requires planning permission or listed building consent, this will need to be in place before mortgage application.





Renovation mortgage allows for additional funds to be released when property has increased in value. Mortgages are available on a repayment, interest-only or part (repayment) and part (interest-only) basis, subject to eligibility Standard Variable Rate applies during the renovation works and discounts are applied after renovation works valuation and proof of the achieved higher energy rating- the so called C-Change retrofit discounts. The level of the C-Change sustainable homes or C-Change retrofit discount that applies is based on the Energy Standard rating achieved on the self-build, renovation or conversion when the work is completed. C-Change energy improvements discount is based on the qualifying energy measures being installed. The discount is applied from the date the evidence is obtained that the work has been completed and if applicable the Energy Standard rating required has been achieved.

C-Change retrofit discount- offers a discount of 0.25% from the Standard Variable Rate for each rating improvement in home's Energy Performance Certificate (EPC). This could be either its Energy

Efficiency or Environmental Impact rating.

C-Change sustainable home discount- applies to new and existing energy efficient homes and extensive retrofits using the Passivhaus EnerPHit methodology. Once the build is complete, you need to provide an Energy Standard certificate and Architect/Building Control certificate to apply for the Sustainable C-Change discount.

C-Change energy improvements discount- offers a discount of 1% on funds borrowed for qualifying energy measure installations and is applied once work is completed and evidenced by invoices.

Measures like these are considered:

- floor, wall and roof insulation
- Double or triple glazing
- Wet UFH
- High efficiency condensing boilers
- Solar water heating
- Photovoltaics
- Wind turbines
- Ground source heat pumps
- Biomass heating

- Heat recovery systems
- Low water-use appliances
- Rain water harvesting

To apply the discount, lender has to receive an EPC before any works begin and another EPC once works are completed. The discount is applied based on the grade improvement achieved. Until then the Standard Variable Rate applies.

To apply for a renovation mortgage it is essential to find a specific renovation property, provide the cost estimation of materials and labour, the current Energy Performance Certificate (EPC) of the property and the projected EPC rating after renovation. For renovation mortgage 10% minimum deposit is required to purchase the property and a further 15% – 20% of total build costs to start the renovation. In the maximum of 2 years the renovation has to be completed. The funds are released during the renovation progress

For more information on renovation mortgages visit Ecology Building Society www.ecology.co.uk

(Source: ecology.co.uk)